

EXCLUSIVELY FOR CONTRACTORS

MONTHLY GUIDE FEBRUARY 2002 ISSUE 53



How About Some Humility?

Several of our computer contractor clients telephoned us to ask whether we had seen the latest message from PCG's mouthpiece Shout99 issued on 11th January after last month's newsletter went to print. There was considerable surprise that PCG after the latest costly mauling by the Inland Revenue should be taking an even more strident approach to the subject. The language of this latest article is so macho that many contractors who have previously been supportive to the objectives of PCG may well think that the time has come to do something better with their money than provide funds for an increasingly hysterical campaign. The article which is full of contradictions has been written by Andy White the founder of PCG and is so far over the top that it seems as if this has, for him, become a personal obsession.

Of course the way that the legislation was introduced was completely unfair but this Government with its huge majority showed at a very early stage that it was not going to be railroaded into giving concessions to a group of people who are mostly perceived to be well off and who attract virtually no public sympathy.

Why, oh why did not PCG utilise the support that it gained from contractors and the momentum that it undoubtedly had to lobby constructively for change rather than boast about what it was going to do to the Government. Several defeats and several hundred thousand pounds down the road it has achieved nothing. Most observers agree that its overly combative attitude has delayed change. The members of PCG deserve better than this.

HELP OR HARASSMENT?

Thanks to all of you who gave us your views about the new approach from the Inland Revenue where they telephone tax payers to ask if they have submitted their Tax Return. Without exception all of you regarded it as an intrusion into your private lives and

not something which is motivated by the desire to help you!

Brian Lyness, one of our clients, makes a good point when he says that this is a good reason for having an ex-directory number!

Incidentally, more on this general topic. The Inland Revenue have written to an ex-employee of one of our clients saying "I should like, if possible, to meet with you and ask you some questions about your employment with the company.

I would stress that I have no interest in your personal tax affairs but am interested in any information you can provide with regard to your former employer."

Big Brother really is watching you! Once again, can you let us have your views on this to debbieb@wheawill.co.uk.

DEFINITION

The definition of a Lawyer is a man who helps you get what's coming to him.

FILING DATE FOR ANNUAL ACCOUNTS

One of the things that we do pride ourselves on is completing and filing accounts at Companies House quickly. It is important that they are filed on time because if they are not then Companies House impose fines which increase with every further delay of three months.

Private companies have to file their accounts ten months after the end of their accounting period. This is not a particularly demanding timescale but it is surprising how disinterested Directors and slow Accountants can combine to cause a last minute panic to beat the deadline.

One sanction that Companies House have and which they do threaten from time to time is to commence criminal proceedings against Directors of companies for failure to file annual accounts on time. We have noticed that this is increasingly a course of action

being taken by Companies House. So, **please** when we do chase you for your books at the end of the year let us have them as soon as you can. You certainly don't want to be threatened by criminal proceedings!

75% OF US ARE HOOKED

A survey by UCLA says that almost 75% of the US public are now on line. Interestingly this growth is not driven by home shopping but from a wish to obtain more information. More time is being spent on the internet and less on TV.

It seems to us that this is one of the most encouraging trends to be revealed for some time.

LIFE EXPECTANCY KEEPS ON INCREASING

Life expectancy in the US is now put at 76.9 years for somebody born in the year 2000. That's the average and women are continuing to live longer than men. Their life expectancy is 79.5 years compared to 74.1 years for the men.

Infant mortality is reducing and is slightly less than 0.7% for every live birth.

We regularly talk about the impact that these statistics have, not just on your own pension schemes but on the whole basis that countries provide pensions for their OAP's. This seemingly inexorable rise in life expectancy can surely only be altered by a really catastrophic natural disaster or acts of terrorism.

Living longer will bring its own problems but on balance it has to be better than dying young!

IR35 SEMINARS

We know that life during the week can be hectic for you and with this in mind Gordon Morrison will be working over the weekend of 9th and 10th March and will be available to deal with all email queries from you then. He will also be holding a seminar at 2:00pm on both Saturday 9th March and Sunday 10th March in response to popular demand!

If you would like to be included in either of these seminars please email Gordon on gordonm@wheawill.co.uk

BRIGHTER DAYS AHEAD FOR CONTRACTORS?

Last month we tried to give some balance to the almost universal pessimism which has infiltrated the morale of computer contractors over the last couple of years. Our conclusion was that contractors always suffer as recessionary signs for the economy arrive but just as things appear as if they could not get any worse then suddenly they get a lot better,- and quickly too.

A recent survey has forecast that 'the contractor market will pick up during the next two quarters by 11% and should recover fully by the end of the year'.

The forecast agrees significantly with our own assessment of market conditions. What we would however add is that things may recover for contractors even quicker than usual. IR35 and an almost unprecedented amount of negative publicity has persuaded many computer contractors that they should seek the refuge (if there is such a thing) of permanent employment. The effect that this will have when the market turns is that there will be a shortage of freelance staff available to fill the demand. What we would expect to see is not just more vacancies but an increase in rates as well.

Are we mad?! We don't think so. Remember in a years time what we said today!

Anybody requiring a copy of last month's newsletter with our more detailed assessment of market conditions please email debbieb@wheawill.co.uk.

QUOTE FOR THE MONTH

To err is human but it feels divine.

Mae West

Thanks again! We do appreciate the introductions that you give us. It does enable us to put more resources into helping out computer contractor clients generally. Keep those recommendations coming please as we do not advertise for clients.

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